



The Bank of New York Mellon (International) Limited

# PILLAR 3 DISCLOSURE

December 31, 2025



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## 1 Introduction

This Pillar 3 disclosure is published for The Bank of New York Mellon (International) Limited (the 'Company') as at 31 December 2025. The Company's reporting currency is GBP.

The Basel Committee on Banking Supervision ('BCBS') framework comprises of three pillars; Pillar 1 sets out the minimum capital requirement that firms are required to meet for categories of risk faced by the institution. Pillar 2 concerns the supervisory review process and Pillar 3 promotes market discipline through the disclosure of key information around capital, risk management, and remuneration of Material Risk Takers ('MRTs'). Accordingly, this disclosure contains qualitative and quantitative information as required under the Capital Requirements Regulation ('CRR II')<sup>1</sup> prescribed within the Disclosure Part of the Prudential Regulatory Authority ('PRA') Rulebook. The Company continues to monitor regulatory developments. Preparation for the implementation of Basel 3.1 is ongoing, effective from 1 January 2027<sup>2</sup>.

### Article 431 Attestation

As set out in section 4.4 of this report, the Board of Directors ('the Board') is responsible for approving policies and procedures as may be required by law or otherwise appropriate and for reviewing the Company's processes for compliance with applicable laws, regulations and the internal policies including the Code of Conduct.

This Pillar 3 disclosure has been prepared in accordance with the Company's internal Pillar 3 disclosure policy and control framework regarding the production and validation of its disclosures in order to meet the relevant regulatory requirements outlined in section 1.1.

The Company considers that its risk management arrangements and systems are adequate with regards to its profile and strategy. The Company recognises the importance of risk management in the execution of its strategy and has defined the levels of risk acceptable to the entity. This is formalised and monitored through its Risk Appetite Statement. The Risk Appetite Statement is refreshed on an annual basis. Further details are contained within section 4.1 of this report.

The disclosure was approved by the Board on 17 April 2026 and signed on its behalf by:

*Robin Savchuk*

Robin Savchuk (Apr 24, 2026 15:49:53 GMT+1)

R C Savchuk  
Director

<sup>1</sup> PS22/21 - Implementation of Basel standards: Final rules

<sup>2</sup> PS17/23 - Implementation of the Basel 3.1 Standards near-final policy statement part 1

PS9/24 - Implementation of the Basel 3.1 Standards near-final policy statement part 2

PS1/26 - Implementation of Basel 3.1 Final rules

## 1.1 Scope of application

The Company is classified as an Other Institution (non-listed) in accordance with Article 433c(2) of the Disclosure part of the PRA Rulebook. Therefore, the Pillar 3 disclosure focuses on items required for disclosure by such an institution as at 31 December 2025. The disclosure includes, where appropriate, comparative figures for the prior year and an analysis of significant movements to provide greater insight into its approach to capital and liquidity management, risk management, and remuneration of MRTs.

Pillar 3 disclosures are prepared solely to meet Pillar 3 disclosure requirements and for no other purpose. These disclosures do not constitute any form of financial statement of the business, nor do they constitute any form of contemporary or forward-looking record or opinion about the business. The Company undertakes no obligation to revise or to update statements contained within this report regardless of whether or not those statements are affected as a result of new information or future events. Unless indicated otherwise, information contained within this document has not been subject to an external audit.

In accordance with Article 432 of CRR II, the Company is permitted to exclude certain disclosures if they contain proprietary information or are non-material in nature. On this basis, selected non-applicable rows and columns have been omitted from quantitative tables.

Annual disclosures will be published on the same date on which the Annual Report and Financial Statements are made public or as soon as reasonably possible thereafter. The Company will reassess the need to publish disclosures more frequently in light of any significant change in the business, capital resources, or risk profile.

Disclosures are published on the BNY website which can be accessed using the link below, referring to the Additional Country Disclosures section.

[BNY Investor Relations - Pillar 3](#)

## 1.2 Scope of reporting

The Company is a private limited company incorporated in the UK with a Banking Licence issued by the PRA. It is regulated by the PRA and the Financial Conduct Authority ('FCA'). As at 31 December 2025, the Company had £444bn in Assets under Custody, and £383bn in Assets under Administration. It is a wholly owned subsidiary of BNY International Financing Corporation ('BNYIFC'), a holding company with investments in banking and non-banking entities. BNYIFC is a wholly owned US-regulated subsidiary of The Bank of New York Mellon, the main banking entity of BNY.

This disclosure is prepared on an 'Individual' basis as the Company no longer has any active subsidiaries<sup>3</sup>. Previously the Company had active subsidiaries and prepared disclosures on a 'Consolidated' basis. Comparatives in this disclosure have been restated on an 'Individual' basis. Refer to 2024 published disclosures for 'Consolidated' comparatives.

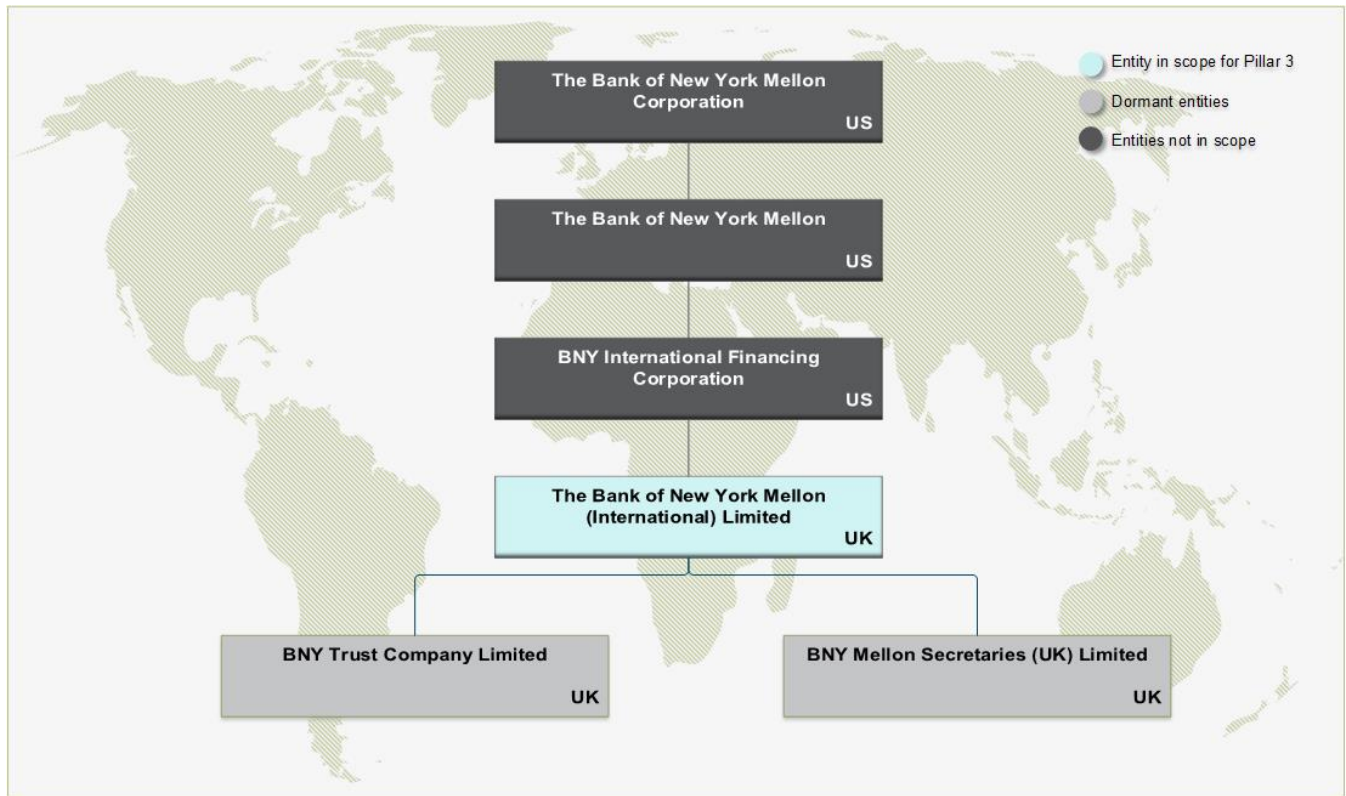
At 31 December 2025, the Company's wholly owned subsidiaries consisted of BNY Mellon Secretaries (UK) Limited (dormant) and BNY Trust Company Limited (in liquidation). Both subsidiaries are incorporated in the UK.

The Company is an integral part of the BNY EMEA business as one of the material group entities in the region and aligns with BNY on strategic decision making, commercial considerations and intelligent risk-taking in line with risk appetite.

Entity name	Status	Services provided
The Bank of New York Mellon (International) Limited	Active	Reporting entity - Provides asset servicing to clients, particularly custody, global payments, accounting services, and transfer agency, as well as trustee and depositary, corporate trust, and segregation services.
BNY Trust Company Limited	In liquidation	Dormant subsidiary (unregulated) - In the process of being liquidated.
BNY Mellon Secretaries (UK) Limited	Dormant	Dormant subsidiary - Provides company secretarial services to and for the UK subsidiary companies of BNY Group.

<sup>3</sup> The Company's Article 9 (CRR) permission was revoked on 12 June 2025.

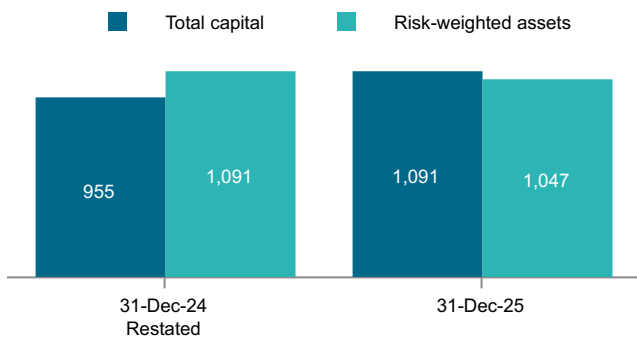
Figure 1: Legal entity and ownership structure at 31 December 2025



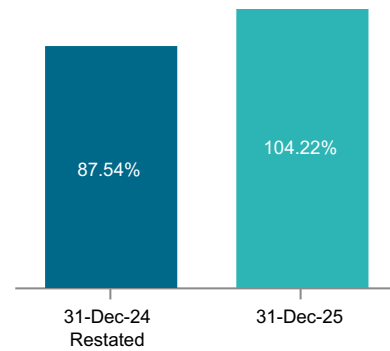
1.3 Article 447 CRR II - Disclosure of key metrics

The following indicators reflect the Company’s key metrics. The prior period is restated. See section 1.2 for further information.

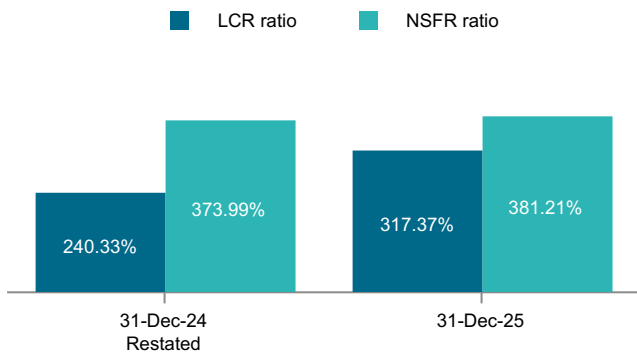
Regulatory capital and Risk-weighted assets (£m)



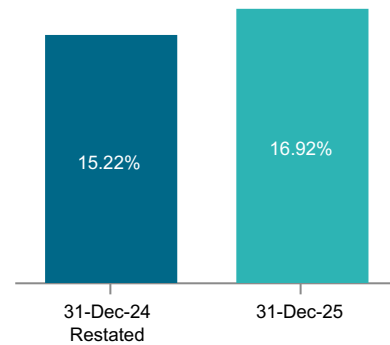
Total capital ratio



Liquidity ratios



Leverage ratio



Note: Liquidity ratios are presented on a 12-month average basis for LCR and a 4-quarter average basis for NSFR.

2025 Total Capital Ratio versus regulatory capital requirements

The total capital ratio exceeds regulatory requirements (the summation of Pillar 1 capital, Pillar 2A capital, and the combined buffer requirements of 8.0%, 10.42% and 4.40% respectively).

Pillar 2A requirements capture risks specific to the Company that are not fully captured, or not addressed by, the Pillar 1 capital requirements.

At 31 December 2025, the combined buffer includes the capital conservation buffer of 2.5% (2024: 2.5%) and the countercyclical buffer, which for the Company was 1.90% (2024: 1.96%).

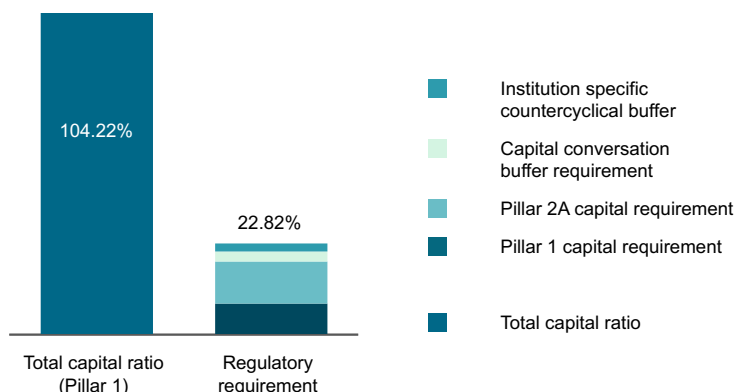


Table 1:UK KM1 - Key metrics template

	31-Dec-25	31-Dec-24 Restated
<b>(£m)</b>		
<b>Available own funds (amounts)</b>		
1 Common Equity Tier 1 (CET1) capital	1,091	955
2 Tier 1 capital	1,091	955
3 Total capital	1,091	955
<b>Risk-weighted exposure amounts</b>		
4 Total risk-weighted exposure amount	1,047	1,091
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>		
5 Common Equity Tier 1 ratio (%)	104.22 %	87.54 %
6 Tier 1 ratio (%)	104.22 %	87.54 %
7 Total capital ratio (%)	104.22 %	87.54 %
<b>Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)</b>		
UK 7a Additional CET1 SREP requirements (%) <sup>1</sup>	5.86 %	5.00 %
UK 7d Total SREP own funds requirements (%)	18.42 %	16.88 %
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>		
8 Capital conservation buffer (%)	2.50 %	2.50 %
9 Institution specific countercyclical capital buffer (%)	1.90 %	1.96 %
11 Combined buffer requirement (%)	4.40 %	4.46 %
UK 11a Overall capital requirements (%)	22.82 %	21.34 %
12 CET1 available after meeting the total SREP own funds requirements (%)	85.80 %	70.66 %
<b>Leverage ratio <sup>2</sup></b>		
13 Total exposure measure excluding claims on central banks	6,449	6,276
14 Leverage ratio excluding claims on central banks (%)	16.92 %	15.22 %
<b>Liquidity Coverage Ratio <sup>3</sup></b>		
15 Total high-quality liquid assets (HQLA) (Weighted value -average)	5,184	6,021
UK 16a Cash outflows - Total weighted value	3,604	4,462
UK 16b Cash inflows - Total weighted value	1,935	1,931
16 Total net cash outflows (adjusted value)	1,669	2,532
17 Liquidity coverage ratio (%)	317.37 %	240.33 %
<b>Net Stable Funding Ratio <sup>3</sup></b>		
18 Total available stable funding	2,561	2,481
19 Total required stable funding	672	664
20 NSFR ratio (%)	381.21 %	373.99 %

Notes:

Capital and leverage ratios are stated after the inclusion of audited profits for the year.

Selected non-applicable rows have not been presented. Ratios reflect the regulatory reporting which may result in immaterial rounding differences.

The prior period has been restated. See Section 1.2 for further information.

<sup>1</sup> The total P2A requirement is 10.42%, of which 56.25% is attributable to CET1.

<sup>2</sup> The leverage ratio applies equal weightings to exposures in contrast to the capital ratio. The minimum leverage ratio requirement is 3.25%, however, the Company is not subject to a binding leverage ratio requirement as it does not meet the required thresholds to be considered as an LREQ firm in accordance with the Leverage Ratio - Capital Requirements and Buffers Part of the PRA Rulebook.

<sup>3</sup> LCR is presented on a 12-month average basis. NSFR is presented on a 4-quarter average basis.

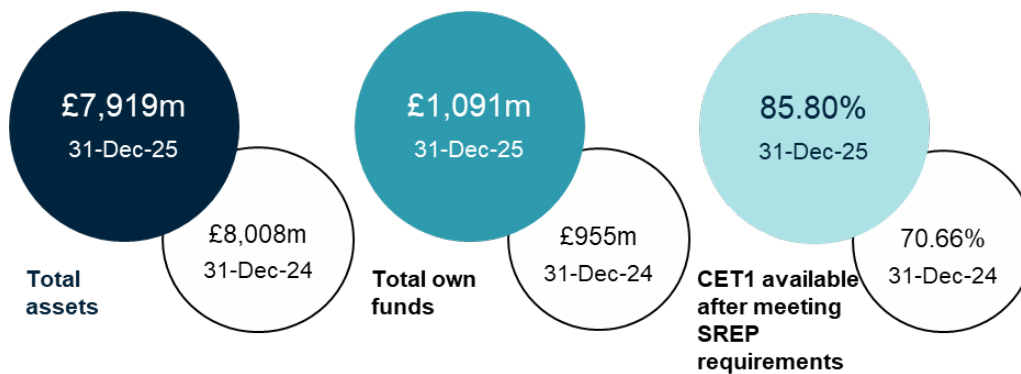
## The Bank of New York Mellon (International) Limited

The increase in the total capital ratio during the year is driven by higher capital resources and a small reduction in risk-weighted assets. Capital resources increased largely due to the inclusion of audited profit and gains in Accumulated Other Comprehensive Income. Risk-weighted assets decreased due to lower credit risk-weighted assets, partially offset by higher operational risk-weighted assets. Both elements are further explained in the following section.

The Company's balance sheet is largely deposit driven. The increase in the LCR compared to 2024 is mainly attributable to a reduction in the Company's average balance sheet size. On an average basis, this is largely due to a reduction in third-party and intercompany deposits, and central bank balances. Changes in the composition of liquid assets in the latter months of the year placed downward pressure on the ratio but were broadly offset by a new term loan executed in Q4.

Equally, the NSFR remained broadly stable year on year on a 4-quarter average basis. Available stable funding increased, largely reflecting profit recognition within capital items, and an improvement in the funding profile from new longer-dated liabilities, including the issuance of a new five-year term loan (c.£122m). Required Stable Funding increased largely due to movements in the composition of HQLA, with more non-HQLA assets. This resulted in a higher RSF requirement at year-end.

2 Article 437 CRR II - Disclosure of own funds

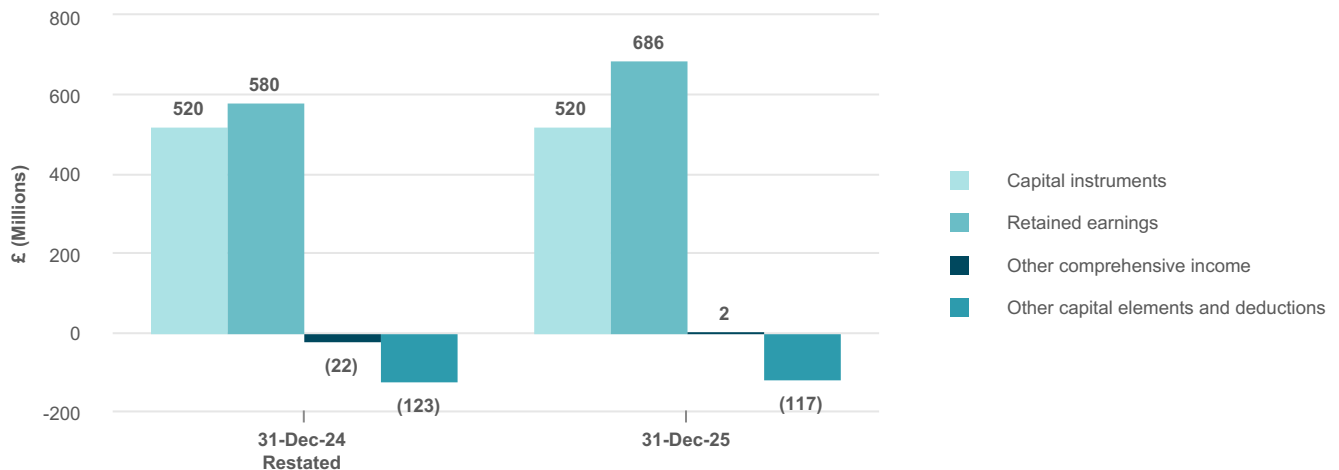


The prior period has been restated. See section 1.2.

This section provides an overview of the composition of the Company’s regulatory capital and where such components can be found in the accounting balance sheet. The balance sheet is prepared under UK accounting standards, including FRS 101. See Table 3:UK CC2.

Composition of regulatory capital

This graph shows the composition of Pillar 1 regulatory capital including all regulatory adjustments at 31 December 2025 (see Table 2:UK CC1).



The Company’s regulatory capital comprises Common Equity Tier 1 capital which is the highest quality form of regulatory capital under Basel framework comprising common shares issued and any related share premium, and retained earnings, less specified regulatory adjustments. These are outlined in Table 2:UK CC1 on the following page.

The overall increase in capital position at 31 December 2025 is largely attributable to the inclusion of current year profits of c.£106.8 million. Positive mark to market movements in the securities portfolio resulted in Accumulated Other Comprehensive Income gains of c.£24 million. Other capital elements and deductions decreased by c.£6 million. Deductions mainly relate to a 10% participating interest in an Investment and Cooperation Agreement ('ICA') with another BNY Group entity, which is held at cost and deducted from regulatory capital as lending of a capital nature.

**Table 2:UK CC1 - Composition of regulatory own funds**

This table shows the composition of the Company's regulatory capital including all regulatory adjustments. A reference is provided to identify how the capital elements can be linked to the Company's published balance sheet on the next page.

At 31 December 2025 (£m)	Amounts	Reference to Table CC2
<b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b>		
1 Capital instruments and the related share premium accounts	520	
of which: ordinary shares	520	(a)
2 Retained earnings	686	(b)
3 Accumulated other comprehensive income (and other reserves)	2	(c) <sup>1</sup>
<b>6 Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>1,208</b>	
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>		
7 Additional value adjustments (negative amount)	(3)	(d)
8 Intangible assets (net of related tax liability) (negative amount)	(3)	(e)
27a Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	(111)	(f) / (g) <sup>2</sup>
<b>28 Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>(117)</b>	
<b>29 Common Equity Tier 1 (CET1) capital</b>	<b>1,091</b>	
<b>44 Additional Tier 1 (AT1) capital</b>	<b>—</b>	
<b>45 Tier 1 capital (T1 = CET1 + AT1)</b>	<b>1,091</b>	
<b>58 Tier 2 (T2) capital</b>	<b>—</b>	
<b>59 Total capital (TC = T1 + T2)</b>	<b>1,091</b>	
<b>60 Total Risk exposure amount</b>	<b>1,047</b>	
<b>Capital ratios and buffers</b>		
61 Common Equity Tier 1 (as a percentage of total risk exposure amount)	104.22 %	
62 Tier 1 (as a percentage of total risk exposure amount)	104.22 %	
63 Total capital (as a percentage of total risk exposure amount)	104.22 %	
64 Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount) <sup>3</sup>	14.76 %	
65 of which: capital conservation buffer requirement	2.50 %	
66 of which: countercyclical buffer requirement	1.90 %	
<b>68 Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)</b>	<b>85.80 %</b>	

Note: Selected non-applicable rows have not been presented. There is no disclosable deferred tax asset below the threshold for deduction in 2025 (2024: £9 million).

<sup>1</sup> Of which c.£2 million relates to Accumulated Other Comprehensive Income (c).

<sup>2</sup> Of which c.£(118) million relates to the ICA which is regarded as connected lending of a capital nature and deducted from regulatory capital (f), and c.£7 million relates to restricted stock (g).

<sup>3</sup> Of which 4.5% is the CET1 regulatory minimum, 5.86% is the additional CET1 P2A amount, and 4.40% is the combined buffer requirement.

**Table 3:UK CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements**

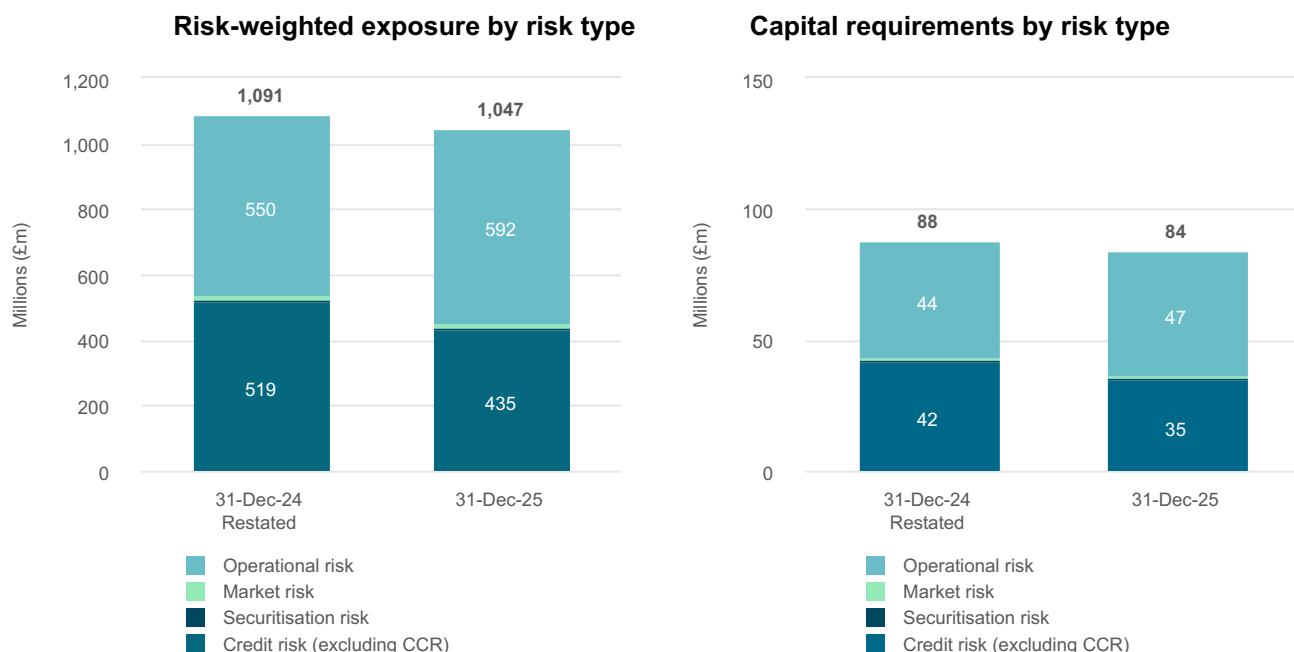
The table illustrates where the components of regulatory Own Funds listed in Table 2: UK CC1 are referenced within the balance sheet. The balance sheet forms the basis for the calculation of regulatory capital requirements. There is no difference between the regulatory scope and the statutory balance sheet.

At 31 December 2025 (£m)	Balance sheet as in audited financial statements	Reference
<b>Assets - Breakdown by asset class according to the balance sheet in the published financial statements</b>		
1 Cash and balances at central banks	2,667	
2 Loans and advances to banks	2,038	
3 Loans and advances to customers	28	
4 Investment securities	2,970	(d) *
5 Investment in affiliates	118	(f)
6 Intangible assets	3	(e)
7 Tangible fixed assets	—	
8 Prepayments and accrued income	66	
9 Deferred tax asset	—	
10 Other assets	29	
11 <b>Total assets</b>	<b>7,919</b>	
<b>Liabilities - Breakdown by liability class according to the balance sheet in the published financial statements</b>		
1 Deposits by banks	2,240	
2 Customer accounts	4,304	
3 Loan due to fellow group undertakings	119	
4 Other liabilities	32	
5 Deferred tax liability	—	
6 Accruals and deferred income	7	
7 Provisions	2	
8 <b>Total liabilities</b>	<b>6,704</b>	
<b>Shareholders' Equity</b>		
1 Called up share capital	520	(a)
2 Fair value reserve	2	(c)
3 Other reserves	7	(g)
4 Profit and loss account	686	(b)
5 <b>Total shareholders' equity</b>	<b>1,215</b>	

\* Investment securities carried at Fair Value through Other Comprehensive Income are subject to a Prudential Valuation Adjustment amounting to £3 million.

The Company does not have a trading book, but there are securities in the non-trading book that are measured at fair value, applying observable quoted prices.

**3 Article 438 CRR II - Disclosure of own funds requirements and risk-weighted exposure amounts**



### 3.1 Calculating capital requirements

The table shows the risk-weighted assets, the respective pillar 1 requirements and the framework used for each type of risk. An 8% factor is applied to the risk-weighted assets to calculate the capital requirement.

**Table 4:UK OV1 – Overview of risk-weighted exposure amounts**

(£m)	Risk-weighted exposure amounts (RWEAs)		Total own funds requirements
	31-Dec-25	31-Dec-24 Restated	31-Dec-25
<b>1 Credit risk (excluding CCR)</b>	435	519	35
2 Of which the standardised approach	435	519	35
<b>6 Counterparty credit risk - CCR</b>	1	1	—
7 Of which the standardised approach	1	1	—
UK 8b Of which credit valuation adjustment - CVA	—	—	—
<b>16 Securitisation exposures in the non-trading book (after the cap)</b>	7	9	1
18 Of which SEC-ERBA (including IAA)	7	9	1
<b>20 Position, foreign exchange and commodities risks (Market risk)</b>	12	12	1
21 Of which the standardised approach	12	12	1
<b>23 Operational risk</b>	592	550	47
UK 23b Of which standardised approach	592	550	47
24 Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	—	22	—
<b>29 Total</b>	<b>1,047</b>	<b>1,091</b>	<b>84</b>

Notes:

Selected non-applicable rows have not been presented.

The prior period has been restated. See Section 1.2 for further information.

The decrease in risk-weighted assets was driven by a decrease in credit risk-weighted assets of c.£84 million. This was largely driven by a decrease in exposures to Corporates (c.£145 million) and Other Assets (c.£22 million - largely Deferred Tax Assets). This was partially offset by increases in exposures to Institutions (+c.£45 million,) Public Sector Entities (+c.£23 million) and Governments (+c.£22 million). The decrease in credit-risk weighted assets was partly offset by higher operational risk-weighted assets of c.£42 million, which are updated on an annual basis.

The Company exceeded the minimum capital ratios required to maintain a well-capitalised status and to ensure compliance with regulatory requirements at all times. The Company sets the internal capital limits higher than the minimum regulatory requirements to ensure there is a buffer which allows for balance sheet volatility. These ratios have been determined to be appropriate, sustainable, and consistent with the capital objectives, business model, risk appetite, and capital plan.

The capital plan itself is reflective of the Company's business strategy and its risk appetite, which includes a commitment to a strong balance sheet characterised by strong liquidity, superior asset quality and a capital structure which supports the risk-taking activities and has the ability to absorb losses.

The capital plan is subject to Asset and Liability Committee ('ALCO'), Executive Committee ('ExCo'), and Board approval, and capital ratios are reviewed against risk appetite levels throughout the year in each committee. The Company's Internal Capital Adequacy Assessment Process ('ICAAP') is subject to ALCO, ExCo, and Board approval, and is reviewed by the PRA as part of its Supervisory Review and Evaluation Process ('SREP').

#### 4 Article 435 CRR II - Disclosure of risk management objectives and policies

Given the critical role that BNY plays supporting clients and its status as a Global Systemically Important Financial Institution ('G-SIFI'), the financial stability of all of its constituent legal entities, throughout market cycles and especially during periods of market turbulence, is recognised at the BNY group level as imperative. Clients and market participants need to have confidence that all of BNY's legal entities will remain strong, continue to deliver operational excellence and maintain an uninterrupted service. Therefore, the Company and the BNY group as a whole, are committed to maintaining a strong balance sheet and purposefully assume less risk than many financial services companies.

Whilst BNY assumes less balance sheet risk than most financial services companies, it does exhibit other types of risk as a result of its business model. The Enterprise Risk Management Framework supports the Company's goals of long-term resiliency, safety, and soundness to withstand the impact of financial market and other stresses. It is designed to maintain compliance with laws and regulations by enabling comprehensive risk management processes through which we identify, control, measure, and monitor risks we assume in conducting our business activities. It is established to effectively manage risks corresponding to the execution of the business strategy and the Company's day-to-day operations. This framework is grounded on the risk management principles below:

- Identify, Assess;
- Control & Mitigate;
- Measure, Monitor and Report risk;
- Embed risk considerations into decisions and actions.

The Board has adopted a conservative risk appetite to maintain a strong capital position and balance sheet throughout all market cycles combined with strong liquidity, superior asset quality, ready access to external funding sources at competitive rates and a robust capital structure, whilst delivering operational excellence to meet stakeholders' expectations.

##### Risk statement

The Risk Identification ('Risk ID') process informs the Company of its key risks. The Risk ID, alongside the entity's Risk Appetite Statement, are key components within the strategy of the entity. The Legal Entity Risk ID is a qualitative and quantitative assessment to identify and assess key risks applicable to the Entity.

Strong risk management is central to the strategy of the Company which, along with a robust risk control framework, acts as the foundation for the effective management of risk. Approval of the Company's Risk Management Framework, Risk Appetite Statement ('RAS') and risk limits are matters which are reserved for the Board. The Company's Risk Committee of Board ('RCoB') assists the Board in fulfilling its oversight responsibilities in connection with risk oversight, including Company's risk appetite. The Board has established a RAS in accordance with the Global Risk Appetite Policy and focuses on seven key areas: operational, strategic, model, market, capital, liquidity, and credit risks. The Company has in place a well-established framework, which provides oversight for the identification and mitigation of risks across the Company. The risk identification exercise is utilised to identify, manage, and mitigate, where possible and warranted, current and emerging risks.

In accordance with the Board defined Risk Appetite Statement, the Company is committed to maintaining a balance sheet that remains resilient throughout market cycles; a balance sheet which is characterised by significant liquidity, strong asset quality and a capital structure that is adequate to support the bank's risk-taking activities as well as being able to absorb potential losses. The Company is also committed to delivering operational excellence to meet the expectations of its stakeholders, including its clients, shareholders, employees, and regulators.

The Company monitors its capital adequacy in accordance with the Basel Framework, on the basis of Pillar 1 requirements (Regulatory Capital Requirements) as well as Pillar 2 ('ICAAP'). Both concepts are subject to Board approved risk appetite limits.

The Company is forecast to remain above the Board defined capital risk appetite limits under BAU and stressed conditions. As at 31 December 2025:

- the Pillar 1 capital requirement was £84 million (2024: £88 million); CET1 resources were £1,091 million (2024: £955 million); the CET1 ratio was 104.22% (2024: 87.54%) which was significantly higher than the Pillar 1, Pillar 2A and combined buffer requirements applicable to the Company.

The Company's Pillar 1 capital requirements are calculated according to the Basel standardised approach for credit risk, counterparty credit risk, market risk, operational risk, and for credit value adjustment ('CVA'). External ratings-based approach is used for securitisation risk. The Company's capital ratios (Common Equity Tier 1 ('CET1'), Tier 1, and Total Capital) are monitored daily against regulatory thresholds defined by the PRA's Supervisory Review and Evaluation Process ('SREP'), the CRD V buffers and Board defined risk appetite limits.

The Internal Capital Assessment uses BNY's capital models which follow an approval process including independent validation by BNY's Model Risk Management Group. These capital models are presented to and challenged by the Company's Capital Stress Testing Oversight Group ('CSTOG'); a group focused on Internal Capital Assessment related subjects. Capital requirements are assessed for all material risks identified within the Company.

The Internal Capital Assessment is calculated quarterly, with approximations applied to estimate monthly internal capital requirements. A three-year financial forecast is used to project future capital requirements. Capital assessments are performed under baseline and stressed conditions, taking into account any changes to accounting elements (balance sheet and profitability) and changes to the risk profile.

The Company maintains an Internal Liquidity Adequacy Assessment Process ('ILAAP') to record its assessment of its overall liquidity adequacy and its compliance with the ILAAP rules. The PRA expects ILAAP documents to be updated and approved by the management body at least on an annual basis. This document is presented to the EMEA ALCO and the Company's Board (via the Risk Committee of the Board ('RCoB')) for approval and to the Company's ExCo and Corporate Treasury Risk Committee ('TRC') for review and comments.

### 4.1 Risk Appetite Statement ('RAS')

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The Company's Risk Appetite Statement is owned and approved by the Board. It describes the level of risk that the Board is willing to accept in its strategy and business activities, given its business objectives and obligations. This is reviewed at least annually.

The Company uses a variety of metrics to measure and monitor its risk-taking activities relative to its risk appetite. Articulating risk appetite through its metrics aids important decision-making by determining actions such as pursuing new products and enterprises, exiting businesses, and aligning resources to maximise potential gains given acceptable levels of risk. The entity risk profile and risk appetite limits are actively monitored and managed through the monthly Risk Management Committee ('UK RMC') to manage the entity within its risk appetite.

### 4.2 Stress testing

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Stress testing (including capital and liquidity stress testing) is undertaken within the Company to provide a forward-looking assessment of risk, inform risk appetite setting and management decisions, and function as an input into the Capital/Contingency Funding plans. The stress testing process considers enterprise-wide scenarios that cover a range of adverse circumstances of varying nature, severity, and duration relevant to the Company's business model, risk profile and vulnerabilities as well as changing economic environments. The stress testing process also considers management actions to minimise stress impacts and where appropriate, the process allows for recommendations to strategic and/or management actions.

Furthermore, stress tests, pre and post identified management actions, are used to assess the resilience of the Company to adverse systemic and idiosyncratic shocks.

Both the ICAAP and ILAAP documents are produced at least annually for the Company, including its dormant subsidiaries, in accordance with regulatory guidance. The process and documents are ultimately owned by the Board and provide the necessary information to senior management and the Board enabling them to make decisions about risk management and planning. The Company submits its ICAAP and ILAAP documents to the regulator, upon request, as prescribed by supervisory policy.

### 4.3 Recovery and resolution planning

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A Recovery Plan is produced at least annually for the Company, including its dormant subsidiaries, in accordance with regulatory guidance. The plan is owned by the Board. The recovery plan is designed to ensure that the Company has credible and executable options to meet the challenges that may arise from potential future crises.

The Company submits resolution information to the regulator, at a minimum on an annual basis, as prescribed by supervisory policy.

4.4 Board of Directors

The main duty and responsibility of the Board is to approve the strategy and supervise the management of the Company. Whilst acting autonomously and in accordance with its legal and regulatory requirements, the Board aligns the Company’s strategy to that of its primary shareholder (see section '1.2 Scope of reporting'). The Board has overall responsibility for the approval of the Risk Appetite Statement ('RAS') and ensuring that there is in place a sound system of internal control and risk management. The Board must ensure that strategic and business plans are consistent with the approved risk appetite.

The Board meets at least 4 times per year and as at 31 December 2025 the directors were:

Board member	Function at the Company	Other Directorships
C E Neate <sup>1</sup>	Chief Executive Officer	
T Degn-Petersen <sup>2</sup>	International Chief Operating Officer and Chair of the Company	1 external entity (non-executive)
J Mann	Head of Banks, Broker-Dealers & Insurance, Client Coverage, Asset Servicing	
R C Savchuk	Global Funding Executive	
W Leech	Independent Non-Executive Director, Chair Risk Committee and Member of Audit and Nomination Committees	2 external entities (non-executive) <sup>3</sup>
M J Dodds	Independent Non-Executive Director, Chair Nomination Committee and Member of Audit and Risk Committees	
G A Efthimiou	Independent Non-Executive Director, Chair Audit Committee, Member of Risk and Nomination Committees	1 external entity (non-executive)
P A Davies	Independent Non-Executive Director. Member of Risk and Audit Committees	3 external entities (non-executive)

Notes:

<sup>1</sup> C E Neate - Appointed 01 July 2025

<sup>2</sup> T Degn-Petersen - Appointed 12 December 2025

<sup>3</sup> W Leech - One directorship is of a dormant company. One entity is a Limited Liability Partnership for which he is a Designated Member.

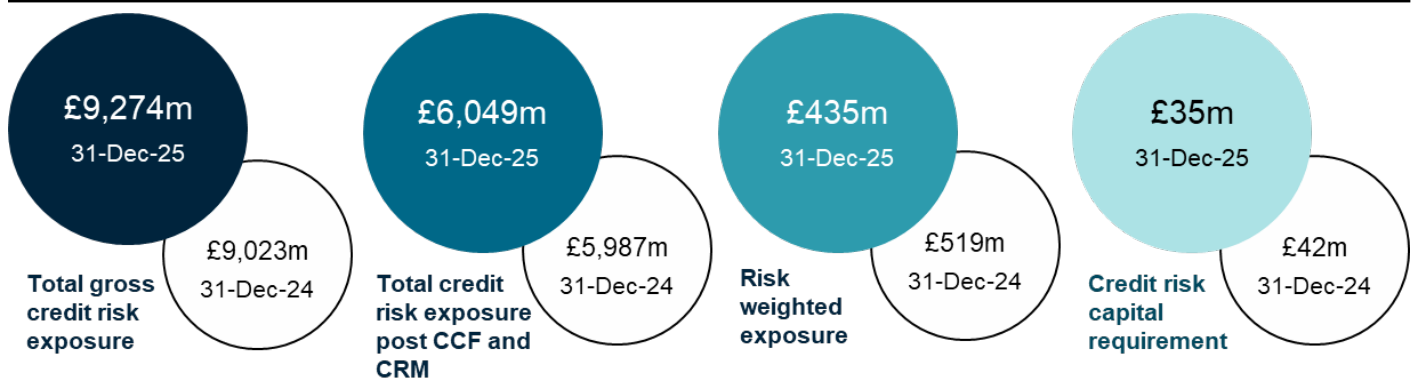
Notes: M A Murphy resigned as Chief Executive Officer 11 April 2025. H Kablawi resigned as Chair of the Company 12 December 2025.

The Board and each of its committees undertake annual reviews of their effectiveness.

The Company has implemented a Board Inclusion Policy, which sets out its approach to promoting BNY’s Thrive Together Principle on the Board. Recommendations within the Policy have been met. This is important to Power the Firm’s Culture and to each Director as individuals. It is also critical to the Firm’s ability to serve its clients and grow its business.

The Nomination Committee ('NomCo') is responsible for reviewing the structure, size and composition of the Board and making recommendations to the Board with respect to any appointment. In identifying suitable candidates for a particular appointment, the NomCo considers candidates on merit and against objective criteria and with due regard for the benefits of different perspectives. Overall, the combined skills and experience of the Board demonstrate a high level of strategic direction, executive oversight, business knowledge, fiduciary duty, and governance.

4.5 Credit risk



Credit risk is the risk that an obligor/issuer is unable or unwilling to satisfy an obligation when it falls due. Credit risk can originate from on and off-balance sheet obligations such as intercompany placements, loans, commitments, securities, Over the Counter ('OTC') derivatives and other assets by failing to make the required repayments when due.

Understanding, identifying, and managing credit risk is a central element of BNY’s successful risk management approach. The Company’s credit risk is managed in line with BNY’s Risk Appetite Statement to minimise losses whilst identifying future potential risks. This section describes the effective management and governance of credit risks across the Company. The principles, methodologies, and processes outlined in this section relating to credit risk are reviewed and may be modified as part of the regular review of credit policy.

## The Bank of New York Mellon (International) Limited

The Company has a liability-driven balance sheet and typically engages in the provision of custody services to its clients. The credit exposure of the Company is predominantly generated from the following:

### Client Lending:

Credit facilities are provided on an advised but uncommitted basis to some Investment Trusts.

Unadvised, uncommitted intraday and overnight internal guidance facilities may be provided in support of asset servicing operational activity (trade settlement, cash wire activity, FX trading, etc.) subject to client credit quality and contractual documentation.

### Nostros:

Whilst the Company does maintain a small number of direct nostro accounts, it largely utilises the sub-custody networks of other banks within the BNY group. The Company maintains substantial cash balances in its nostro account with the Bank of England. Nostro balances mainly occur as a result of underlying client custody activity (trade settlements, securities maturing, etc.) which are largely dependent upon client activity rather than the Company's own Treasury function, with the exception of Corporate Treasury's management of the balances with Bank of England.

### Daylight/Intraday Credit Exposure:

Intraday credit exposure can be created from three sources:

- daylight (or intraday) limits that are authorised by Credit Risk Management to facilitate client activity for various businesses and products throughout BNY. These daylight limits permit straight through processing ('STP') of transactional activity and may generate intraday credit exposure up to the approved limit, with the expectation that the exposure will be cleared by the end of the same business day;
- intraday credit exposure is derived from timing differences arising from BNY's operational processes and/or settlement activity that results in the extension of credit, which is expected to be extinguished within the business day when the payment and/or settlement activity is completed. For example, a client's account may be credited based on the anticipated settlement of securities sales or a payment made on behalf of a client in the morning, whilst the covering funds may not be received until late in the afternoon; and,
- additional intraday credit exposure can arise from the credit approval of a transaction for which no approved limit exists, or which exceeds the approved limits, if approved on an exceptional basis. The expectation remains that the exposure will be cleared by the end of the business day.

Any potential credit generated via these sources will be cleared by the end of the day (transaction value date) in most cases as funding will have been received. In a minority of cases the exposure will then become an overnight credit exposure if not cleared.

### Cash Placements:

The Company deposits funds with or purchases certificates of deposits issued by other banks.

### Securities:

The Company maintains a highly rated securities portfolio that consists of high-quality liquid assets (sovereign & sub-sovereign debt, supranational debt, and covered bonds), corporate debt and securitised asset investments.

#### 4.5.1 Credit risk management

Understanding, identifying, and managing credit risk is a central element of BNY's successful risk management approach. The Company's credit risk is managed in line with BNY's Risk Appetite Statement to minimise losses whilst identifying future potential risks.

At the outset of a new agent bank, trading counterpart, or customer relationship a review is undertaken by the business in partnership with Credit Risk Management to determine the client's suitability for the products offered and the Company's risk appetite for the name. Once it is agreed that the relationship can be entered into and suitable credit limits made available to accommodate the activity, the client can be mandated and moved through the Business Acceptance Committee process for formal approval by all relevant parties. As the First Line of Defence ('1LOD'), the business has primary responsibility to identify the nature and quantum of credit risk that may be incurred as a result of any business relationship. The Credit Risk Management function assists in that assessment as the Second Line of Defence, through review, challenge and approval of credit limits proposed by 1LOD.

Credit risk management is an outsourced service provided under Service Level Descriptions ('SLDs') to the various global BNY legal entities. Each legal entity Board will approve an appropriate RAS which details the roles and responsibilities and levels of delegated authority for each type of activity, further supported by a legal entity Credit Risk Policy.

Credit risk (including metrics, breaches, and output) is effectively managed in a number of ways:

- nostros are maintained at minimum possible levels and within the large exposure limits, ensuring smooth operations and adherence to own fund requirements. The majority of nostro providers used are all major, well rated banks in their relevant countries;
- for custody clients, limits are calculated as a percentage of AUC. Most clients have, within their Global Custody Agreement ('GCA'), provided the bank with a contractual right of set-off across currency accounts, a custodial lien on the assets held with the right of retention and sale if debts are not repaid;
- for legal reasons certain clients may not be able to provide a lien on their assets, or there may be some other inability to encumber the asset pool which may be held ultimately for the benefit of other parties (e.g., insurance companies, etc.). However, these clients are usually also highly rated financial institutions and therefore the risk is mitigated through their high credit quality;
- in some instances, the provision of an overdraft to a client could result in a large exposure breach. To mitigate this risk, a Risk Participation Agreement is in place with The Bank of New York Mellon, whereby excess exposure can be legally transferred to the larger parent and thereby removed from the Company's balance sheet. This arrangement is fully collateralised where necessary, to offset the intragroup large exposure risk;
- Master Netting Agreements ('MNA') are in place to cover intragroup exposure between the Company and BNY Mellon SA/NV (31 December 2025: c.£8.4 million) as well as the London Branch of the Bank of New York Mellon (31 December 2025: c.£1.7 billion). The agreements meet the requirements of the CRR for credit risk mitigation purposes; and,
- placement activity with third party banks is subject to credit approval and is only permitted after careful consideration of the quality of the counterparty bank, large exposure issues, and exposure elsewhere within the BNY enterprise. Relationships with, and limits for, all banks are managed globally by BNY. The Company's counterparty bank limits are managed as a subset within the overall limits approved by the parent.
- CIO investment activity may generate credit risk related to underlying issuers of securities. All non-structured investments are pre-approved by Credit Risk and Treasury Risk and managed within approved BNY Group Investment limits with specific limit allocations to the Company.

The Company facilitates customer settlement activity which gives rise to receivables and payables across multiple accounts. On-balance sheet netting agreements have a similar effect to a 'cash-pooling' arrangement, as far as the amounts due from customers can be recorded on a net basis across accounts.

The above arrangements provide for the ongoing ability for the Company to net credit exposure against liabilities it has to customers for the purposes of risk reduction and balance sheet management. This is separate from the ability to offset credit exposures against client cash and other assets in the event of default or where client contracts are terminated. Such provisions are standard in client documentation and very few exceptions are granted, especially where it comes to the offsetting of cash balances.

Currently the Company only receives collateral from other BNY entities on a title transfer basis as part of the group's liquidity management strategy. However, there are 'pledge' or 'lien' arrangements in place with some customers such that their assets under custody serve to support any credit exposures arising from loans granted to the customer.

Metrics supporting the management of credit risk, including significant overdrafts and exposures, are reviewed and reported to the Company's senior management on a monthly basis. Credit risk is monitored and controlled in real time through the Global Funds Control Platform and post-event monitoring is conducted by the Client Service area with secondary oversight from the Credit Risk Management function.

Credit concentration risk within the Company originates mostly through the Company's banking activities. The Company only has an appetite to place funds with, or invest in the debt of, institutions having an internal rating of 10 or better (equivalent to Moody's/S&P external rating of Baa3/BBB- respectively). Whilst this approach undoubtedly constrains the number of eligible counterparties for placements and investments purposes as well as the yield available, it also ensures that exposures are well controlled and attract a lower probability of default.

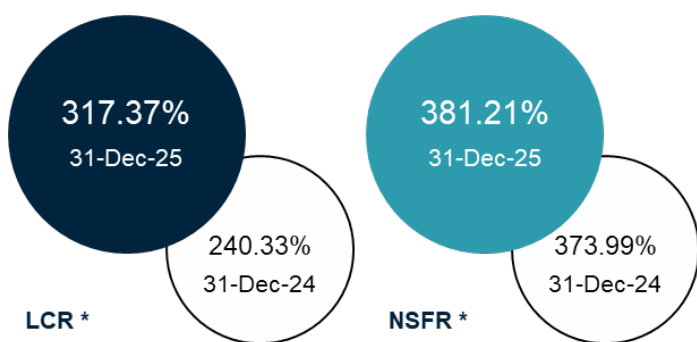
In addition, to ensure compliance with the Large Exposures and Shadow Banking Regime, Credit risk limits to non-intragroup entities, including shadow banking entities, are set below the threshold of 25% of regulatory capital, in line with CRR requirements.

Ongoing assessments of credit concentration risk are performed as part of the Pillar 2 risk assessment process.

Governance of credit risk oversight as a Second Line of Defence function is described and controlled through Credit Risk Policy and day-to-day procedures as follows:

- the credit risk policy for each legal entity describes the outsourcing of credit risk tasks, defines roles and responsibilities, and requires reporting to be carried out to each business line and entity that the policy applies to. Any deviation from the approved policy requires either senior business or senior legal entity approval depending on the type of event;
- approvals for excesses are controlled using a matrix of credit risk approval authorities held within the Credit Risk Policy. Each Credit Risk Officer has their own individual delegated approval authority granted by the Chief Credit Officer. He/she must act within those limits when making approvals. If an excess is beyond the Officer's approval limit, it is escalated to a more senior officer as per the applicable Credit Risk Policy. The outsourcing of credit responsibility to Credit Risk Management is through the Board approved Credit Risk Policy,
- overdraft monitoring conducted within each legal entity - significant overdrafts are escalated in line with the Company's risk appetite. All significant overdrafts and exposures are recorded and form part of the credit risk management information produced on a monthly basis for various management and risk committees.

## 4.6 Liquidity risk



\* Liquidity metrics are presented on an average basis in accordance with Article 447(f)(g) CRR II.

The prior period is restated. See section 1.2.

The Company defines liquidity risk as the inability to access funding, convert assets to cash quickly and efficiently, especially during periods of market stress, at a reasonable cost in order to meet its short-term (up to one year) obligations.

The Company's overall approach to liquidity management is to ensure that sources of liquidity are sufficient in amount and diversity such that changes in funding requirements can be accommodated routinely without material adverse impact on earnings, capital, daily operations, or the financial condition of the Company.

### 4.6.1 Liquidity risk management

The Company seeks to ensure that the overall liquidity risk that it undertakes stays within its risk appetite. In managing the balance sheet, appropriate consideration is given to balancing the competing needs to maintain sufficient levels of liquidity and complying with applicable regulations and supervisory expectations while optimising the balance sheet.

The Company has a liquidity risk management framework consisting of a combination of regulatory and internal processes and controls allowing it to measure, monitor and manage liquidity risk.

The PRA has set guidance on liquidity requirements for credit institutions. These regulatory liquidity requirements primarily include:

- OLAR - Adhering to the Overall Liquidity Adequacy Rule;
- ILAAP - Individual Liquidity Adequacy Assessment Process;
- Liquidity Coverage Ratio ('LCR') - Implementation of the LCR and specific aspects of liquidity risk management (including the Individual Liquidity Guidance ('ILG') or a Pillar 2 add-on);
- Net Stable Funding Ratio ('NSFR') - implementation of the NSFR which measures the stability of the Company's funding profile over a one-year time horizon by relating the Bank's Available Stable Funding ('ASF') to its Required Stable Funding ('RSF'); and,
- Liquidity Stress Testing ('LST') and asset encumbrance.

The Company's LCR and NSFR remained significantly above the 100% regulatory limits, in addition the liquidity surplus remained well above the internally set risk limits.

## The Bank of New York Mellon (International) Limited

In addition to adhering to the regulatory requirements pertaining to liquidity risk management, the Company has internal controls and liquidity risk monitoring tools in place to measure, monitor and manage liquidity risk. These are as follows:

- Early Warning Indicators ('EWI');
- internal liquidity metrics;
- internal Liquidity Stress Testing including internally assessed liquid asset buffer; and,
- live crisis simulations.

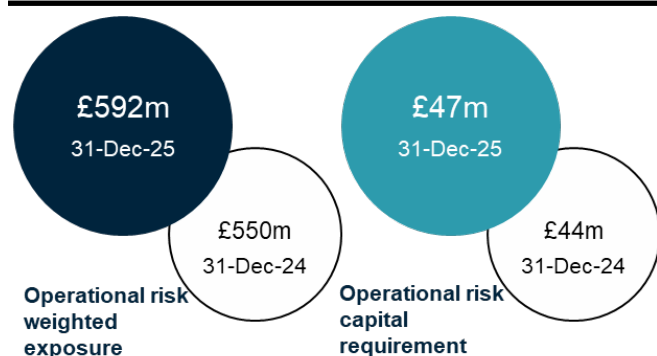
The Company has Bank of England's ('BoE') approval to participate in the BoE Sterling Monetary Framework ('SMF'). Having direct access to the BoE liquidity facilities enables enhanced monetisation capabilities with reduced operational risk.

The Company aims to be self-sufficient for liquidity, has a diverse range of funding sources including repo and central bank access as noted above and seeks to maintain a very liquid balance sheet at all times. The Company's balance sheet is liability-driven primarily due to deposits generated through its asset servicing and custody business activities. Liabilities and sources of funds consist mainly of third-party client deposits and intercompany deposits.

The Company maintains ample liquidity for day-to-day changes in deposit funding. Apart from operational client overdrafts, the Company does not engage in extending loans to clients and therefore funding assets is not a significant use of liquidity. The Company is currently not a direct participant in a payment or settlement system and does not have obligations to maintain collateral at financial market utilities ('FMUs').

With the approval of the Company's ILAAP, management declares the adequacy of its liquidity risk management framework. The Company therefore considers itself to be compliant with its own and BNY Group policies.

### 4.7 Operational risk



The prior period is restated. See section 1.2.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events (including legal risk but excluding strategic and reputation risk).

Operational risk may arise from errors in transaction processing, breaches of internal control, systems, and compliance requirements, internal or external fraud, damage to physical assets and/or business disruption due to systems failures or other events. Operational risk can also arise from potential legal or regulatory actions as a consequence of non-compliance with regulatory requirements, prudent ethical standards, or contractual obligations.

#### 4.7.1 Operational risk management

BNY's Operational Risk Management Framework ('ORMF') provides the processes and tools necessary to fulfil a strategy of managing operational risk through a culture of risk awareness, a clear governance structure and well-defined policies and procedures. The framework ensures appropriate reporting and monitoring to allow effective identification, management, and mitigation of risks within appropriate forums and governance bodies. To support this activity, a number of risk management activities are prescribed through both the Enterprise and Operational Risk Management programs.

The Company uses the ORMF to effectively identify, manage, mitigate (where possible), monitor, and report the risks in an organised way to the appropriate governance bodies. The ORMF defines roles and responsibilities through the global policy using the Three Lines of Defence model as a foundation.

Therefore, the monitoring and reporting of operational risks occurs within the business, entity, and international risk oversight functions as well as decision-making forums, such as business risk committees and the Company's UK Risk Management Committee ('UK RMC').

The Company calculates the Pillar 1 operational risk capital resource requirement under the standardised approach. The Company's business mainly falls under the Agency Services business line which mandates a 15% beta factor to determine capital from gross income. In addition, the income generated from the company's securities portfolio falls under the 'trading and sales' business line, which attracts an 18% beta factor.



The processes utilised include but are not limited to:

**Risk and Control Self Assessments ('RCSA')**

The RCSA is a proactive process that facilitates the uniform assessment of risks and controls in the business functions across the Firm and identifies risks to be addressed. RCSAs help senior management to gain an understanding of the level of risk that each Business, Corporate Staff, Platform group exposes the firm to by conducting their activities.

**Operational Risk Events ('ORE')**

An ORE is the materialisation of an Operational Risk Event. ORE data is the collection of internal losses, gains and near misses that provides meaningful information for assessing the Company's exposure to Operational Risk and the effectiveness of internal controls. Information on ORE losses or gains exceeding USD10,000 are analysed to understand root cause(s) and to identify improvements needed in order to reduce the recurrence and/or magnitude of future events. Furthermore, all OREs over USD10,000 are reported to the UK RMC monthly via the operational risk limits monitoring.

**Operational Risk Limits**

Key risk metrics are designed to monitor activities which could cause financial loss or reputational damage to the legal entity. Periodic and consistent monitoring of risk limits ensures that deviations from predetermined standards can be identified.

**Operational Risk Scenario Analysis ('ORSA')**

ORSA is a core element of BNY's operational risk management framework. It captures potential low frequency and high severity events (i.e., idiosyncratic events), that are not typical business-as-usual ('BAU') events. Scenarios are:

- Forward looking, as it draws on subject matter expertise to estimate potential future losses based on the projected business environment (e.g., volume changes due to new business, regulatory environment, economic conditions, etc.);
- Anchored to the Firm's Enterprise Risk Taxonomy, a comprehensive list of Operational Risk categories used to consistently identify and aggregate risks;
- Informed by key aspects of the Operational Risk Framework, including, but not limited to the Legal Entity Risk Identification & Assessment;
- Used to quantify impact of Operational Risk loss that could materialize over a one-year horizon based on increasing levels of severity of 1 in 5 years, 1 in 20 years and 1 in 50 years i.e., the severity attachment points as prescribed within the Loss/Scenario-Based Hybrid Operational Risk Capital Model 2.0 methodology.

The results help identify risk exposures, strengthen internal controls, and support key processes such as stress testing, capital planning, and the calculation of Operational Risk capital (Pillar II) and Internal Capital Adequacy Assessment Process.

**Monitoring and Reporting**

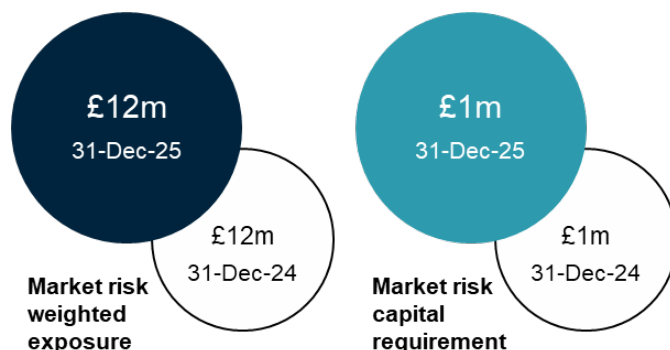
Monitoring and reporting of operational risks occur within the business, legal entity, and international risk oversight functions, as well as decision-making forums such as the Business Risk Committee ('BRC') and the UK RMC.

4.8 Market risk

Market risk is the risk to a firm’s financial condition arising as a result of adverse movements in markets, such as foreign currency exchange rates, interest rates and equity and commodity prices. Market risk for the Company is reviewed in two contexts: impact on the balance sheet and impact on revenues and profitability. The Company assumes market risk within the boundaries of its risk appetite as approved by the Board.

The Company is currently exposed to two types of market risk: foreign exchange risk and interest rate risk:

- Foreign exchange risk in the Company arises from operational flows in foreign currencies. FX translation risk is the risk that a change in foreign exchange rates will create adverse impacts on the financial performance of the Company. Corporate Treasury can use FX swaps for balance sheet management purposes, which are classified as held-for-trading from an accounting perspective. There is no other trading activity in the Company;
- Changes in interest rates impact Net Interest Income ('NII'), Economic Value of Equity ('EVE'), and investment portfolio unrealised profit and loss. NII and EVE sensitivity arises from maturity or repricing mismatches and from products that include embedded optionality. Unrealised profit and loss reflects the impact of rate changes and market value drivers on the investment portfolio held by the Company.



4.8.1 Market risk management

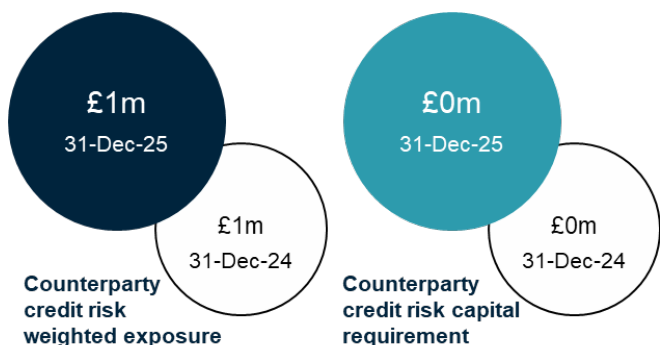
The Company manages market risk using a Three Lines of Defence approach (i.e., by each business unit, by Risk, and by Internal Audit).

Limits are set consistent with the Company’s RAS and are jointly managed by the business units undertaking the risk and the Risk function (respectively, the First and Second Lines of Defence). Risk exposure is measured, monitored, and analysed using both quantitative and qualitative methods.

The Company measures, monitors, and analyses market risk in a manner consistent with applicable law, regulations, and supervisory guidance.

Risk Management independently monitors exposures against limits on a frequent basis. Any breaches are escalated and notified, potentially to the RCoB, ALCO, or to Senior Management.

4.9 Counterparty credit risk



Note: Capital requirements are less than £1m.

The Company is engaged in activities which expose it to Counterparty Credit Risk ('CCR'). CCR is the risk that the counterparty to a transaction could default or deteriorate in creditworthiness before maturity of the transaction, which could result in a loss. CCR is affected by both the exposure to a counterparty and the credit quality of the counterparty, both of which are sensitive to market-induced changes. CCR arises from securities financing transactions ('SFT'), OTC derivatives, and collateral posting/receipts. CCR exposure is often mitigated by financial collateral or application of netting agreements, and therefore collateral management is a key component of CCR management governing practices.

The Company had an immaterial amount of CCR risk-weighted assets as at 31 December 2025. In turn, these generated a small amount of Credit Valuation Adjustments ('CVA') under the Standardised method.

#### 4.9.1 Counterparty credit risk management

The Company utilises SFTs and derivatives for balance sheet management purposes and exposures arise primarily from its utilisation of repurchase agreements, reverse repurchase agreements, and interest rate swaps. Industry standard documentation is used, most commonly in the form of a master agreement. Signed master agreements are intended to protect the Company in situations where its counterparty is in default.

#### Risk Metrics

Monitoring metrics are produced on a daily basis and provided to BNY businesses and Credit Risk Management to assess credit risk and monitor it against limits.

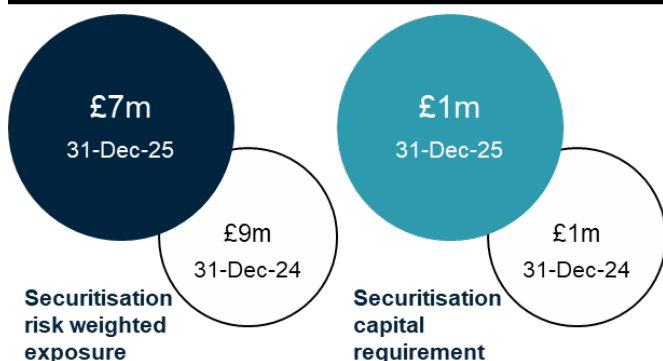
#### Netting and Collateral Arrangements

International Swaps and Derivatives Association ('ISDA') Master Agreements and netting can be used to mitigate counterparty credit risk associated with derivative transactions. The ISDA Agreement incorporates schedules that allow the contracting parties to customise the terms and conditions to their mutual satisfaction to cover termination events, netting arrangements, security, and other matters. Cross Product Potential Risk ('CPPR') exposure can be mitigated through close-out netting provisions, which are included in ISDA Master Agreements. CPPR incorporates netting rights into its exposure measurements.

The Company can further restrict its exposure to credit losses on derivative transactions by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions.

The mitigation of mark-to-market risk related to the underlying contract can be achieved through the exchange of variation margin between the counterparties to the transaction with detailed terms contained in the Credit Support Annex ('CSA') attached to the ISDA agreement.

#### 4.1 Securitisation risk



A securitisation is a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranced, having both of the following characteristics:

- payments in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures; and,
- the subordination of tranches determines the distribution of losses during the on-going life of the transaction or scheme.

The Company accounts for securitisation investments in accordance with recognition, measurement and impairment standards set in IFRS 9. The major difference between a securitisation compared to a medium-term loan note ('MTN') is linked to the repayment structure.

The daily amortisation is similar for both securities. However, for a securitisation the principal is amortised as well, while an MTN would see amortisation on the premium only. The principal of a securitisation would reduce on coupon date.

#### 4.10.1 Securitisation risk management

The Company invests in highly rated securitised products, within tightly defined limits, to expand and diversify its securities portfolio. The use of securitised investments is also expected to have a beneficial influence on profitability. The Company currently invests in traditional Simple, Transparent and Standardised ('STS') securitisation instruments, which means a securitisation involving the economic transfer of the exposures being securitised, it did not invest in re-securitisation assets at the reporting date. For completeness, the Company does not securitise assets, it only invests in residential mortgage-backed securities ('RMBS') originating in the UK. Further, there is no significant risk transfer in the Company's securitisation assets as investor. These investments are part of the limit mandate and governed by a dedicated risk framework, which is applied when buying a securitised asset. Equally, the Company does not utilise any Securitisation Special Purpose Entities ('SSPE') in its investments.

The Company has pre-trade risk management controls in place covering all financial risk domains: credit, treasury, market risk. Investments are checked against a limit framework taking into account a set of conservative criteria, including minimum ratings (currently AAA), low concentration within an issue, preference for STS issuances, low issuer concentration, investments in countries with a perceived strong mortgage market and liquidity levels.

External credit agencies, Moody's Investors Service, Fitch, and Standard & Poor's are used to assess the credit ratings of all its securitised investments which in turn drive the risk-weighted exposure calculations.

## 4.11 Interest rate risk

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Additional commentary is included under section 4.8 Market risk of this disclosure.

### 4.11.1 Interest rate risk management

The Company is committed to implementing and maintaining sound practices for managing Interest Rate Risk in the Banking Book ('IRRBB'). IRRBB refers to the current or prospective risk to the Company's earnings and capital arising from movements in interest rates that affect the Company's banking book positions. The primary purpose of managing IRRBB is to manage the risks from interest rate movements by managing exposure to volatility in, and optimising the performance of, Earnings, including NII, and by limiting the volatility of the EVE, in each case in a manner consistent with safety and soundness principles and the Company's risk appetite.

## 4.12 Strategic risk

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Strategic risk is defined as the risk arising from flawed design, decision or implementation of a business strategy, and potential disruption to business strategy by external factors and/or internal decisions. Strategic risks may also arise from the acceptance of new businesses, the introduction or modification of products, strategic finance and risk management decisions, business process changes, complex transactions, acquisitions, divestitures, joint ventures and major capital expenditures and investments.

The Company seeks to minimise this risk by having a thorough understanding of the markets in which it participates, following a process of continuous improvement and the fact that programs exist, and direct investments are made that encourage and create innovative outcomes.

## 4.13 Model risk

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Model risk relates to the potential loss that could arise from incorrectly designing/using a model or stress conditions that invalidate the assumptions of a model.

The risk is deemed to be low given the relatively few models the Company operates which are all aligned with industry standards and fully vetted and approved by the second line of defence Model Risk Management Group with those deemed material (e.g., ICAAP related) also being subject to ongoing internal audit reviews.

## 4.14 Capital risk

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Capital risk is defined as the risk to capital adequacy arising from adverse changes in leverage and risk-based asset exposures as well as adverse impacts due to adjustments, deductions, composition, and legal entity dynamics. The Company monitors its capital adequacy through a risk limit framework including a risk appetite.

## 4.15 Climate-related disclosures

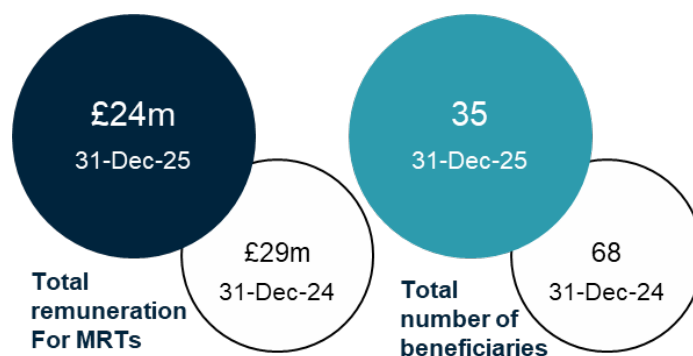
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### Our climate ambition and strategy

The management of climate-related risks is consistent with and integrated across BNY's Enterprise Risk Management Framework. Given the Company's business model, balance sheet risks are relatively low and immaterial. Non-financial risks, primarily relating to business resilience, also continue to be assessed as well as controlled and not materially impacted by climate-related risks.

The Company conducts a range of analytical assessments to evaluate the potential impacts of climate-related risks on its business model over both short- and long-term horizons. These assessments incorporate a suite of analytical tools, including scenario analysis performed as part of the Company's ICAAP and ILAAP. The Company also applies climate change scenarios developed by the Network for Greening the Financial System ('NGFS'), alongside internal risk metrics, to monitor and assess potential climate-related exposures. Previous outcomes of these analyses have indicated that climate-related risks are assessed as non-material relative to the Company's overall risk profile. Notwithstanding this assessment, the Company recognises the evolving nature of climate-related risks and continues to monitor potential impacts closely. Regular reporting is provided to Senior Management and the Board to ensure appropriate oversight and governance. Further information on the Company's principal climate-related risks and opportunities is available in the 2025 Strategic Report and BNY's 2025 Sustainability Report.

## 5 Article 450 CRR II - Disclosure of remuneration policy



Staff support to the Company is provided by employees contracted with The Bank of New York Mellon, London Branch under an outsourced service arrangement. The Company is not an employing entity. The following information reflects the employment arrangements of the London Branch.

### 5.1 Governance

The governance of remuneration matters for BNY and its group entities, including the Company, is overseen by three committees, each with separate responsibilities in respect of remuneration as summarised below:

**Human Resources and Compensation Committee ('HRCC')** which is responsible for overseeing BNY's employee compensation and benefits policies and programs globally. It reviews and is responsible for the compensation plans, policies, and programs in which the senior officers participate and has general oversight of the other incentive, retirement, welfare, and equity arrangements for all employees globally. The members of the HRCC are non-executive members of BNY's Board, acting on behalf of the BNY Board of Directors. In 2025, the committee held seven meetings.

**Compensation Oversight Committee ('COC')** provides oversight of all incentive plans and the process to evaluate misconduct-based incentive compensation reductions for employees. It is responsible for ensuring sound risk management, effective controls, and strong governance of the firm's compensation plans and incentive reduction processes. It advises the HRCC on any compensation risk issues. The members of the COC are senior members of BNY management, including the Chief People Officer ('CPO'), the Chief Risk Officer ('CRO'), the Chief Financial Officer ('CFO'), the Chief Auditor, and General Counsel. Independent review of incentive plans is under the purview of the CRO, and they report their assessment to the HRCC annually. In 2025, the committee held two meetings.

**EMEA Remuneration Advisory Council ('ERAC')** which is a regional governance body which oversees the development and implementation of remuneration policies and practices in line with specific regulatory provisions that apply to EMEA entities as well as ensuring consistency with BNY's principles. In 2025, the committee held three meetings.

The Company has delegated responsibility for overseeing the development and implementation of the Company's remuneration policies and practices in accordance with the relevant remuneration rules to the ERAC.

In accordance with the Prudential Regulation Authority ('PRA') and Financial Conduct Authority ('FCA') regulatory remuneration requirements the responsibility for overseeing the development and implementation of the Company's remuneration policies and practices is held by the Chair of International. This accountability is accomplished through oversight of policies and practices and delegation of key control processes to the Global Head of International People Team. Additionally, the Global Head of International People Team holds a delegation from the CEO of Bank of New York Mellon (International) limited in respect of compensation under the Senior Manager Regime.

BNY undergoes an annual attestation process to ensure that its remuneration practices comply with applicable remuneration regulations. The implementation of its remuneration policies is subject to an annual independent internal review by the Internal Audit function.

## 5.2 Aligning pay with performance

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BNY's compensation philosophy is to offer a total compensation opportunity that supports its Pillars & Principles, which pays for performance, both at the individual and corporate level. Individual and team contributions are valued and rewarded based on how both contribute to business results. In support of this philosophy, variable compensation is used as a means of recognising performance.

Through the compensation philosophy and principles, the interests of employees and shareholders are aligned by encouraging actions that contribute to superior financial performance and long-term shareholder value, by rewarding success and by ensuring that incentive compensation arrangements do not encourage employees to take unnecessary and excessive risks that threaten the value of BNY or benefit individual employees at the expense of shareholders or other stakeholders. The compensation structure is comprised of an appropriate mix of fixed and variable compensation that is paid over time. The aim is to ensure that both fixed and variable compensation are consistent with business and market practice, fixed compensation is sufficient to provide for a fully flexible variable compensation program, and variable compensation is in the form of annual and/or long-term incentives, and, where appropriate, granted over equity to align employee remuneration with that of shareholder growth.

## 5.3 Fixed remuneration

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Fixed remuneration is composed of (i) salary and (ii) any additional non-discretionary and non-performance related amounts paid as a result of contractual obligations or applicable law, or as a result of market practice, including role-based allowances.

The fixed remuneration of an employee is determined by the job performed, its level of complexity and responsibility, and the remuneration paid in the market for that type of job. It is set, for all staff, at a rate to be at all times sufficient to provide for full flexibility with regard to any variable remuneration element, including zero variable remuneration.

Employees who are directors of one or more BNY group entities are not remunerated separately in their capacity as a director of those entities. Independent directors of BNY only receive fixed remuneration, as disclosed in the annual Proxy Statement to shareholders.

## 5.4 Variable compensation funding, risk adjustment and clawback

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Employees of BNY who provided services to the Company are eligible to be awarded variable compensation but have no entitlement to such awards which are discretionary in nature.

The incentive pools are discretionary. The baseline pool is determined based on prior year actuals, making adjustments for new hires and terminations. The final pool is determined by the Group CEO and CFO, taking into account a number of factors, including corporate performance, business performance, productivity, and risk management. The pool is subject to adjustment based on overall corporate performance achievement, and awards are made from the pool based on individual performance.

The remuneration for key control functions is set independently of the businesses they oversee and is based primarily on their respective control functions' objectives.

Variable compensation may consist of both cash and equity and both upfront and deferred components and is determined by the functional hierarchy of the business or business partner service to which the individual staff member belongs, and in accordance with the terms and conditions of the incentive compensation plan that is applicable for the business or function.

For Material Risk Takers ('MRTs'), the variable compensation portion of an award comprises cash and equity, in order to comply with local regulations. The deferred compensation component awarded in the form of BNY restricted stock units aligns a portion of the variable compensation award with the management of longer-term business risk.

Variable compensation is determined by the business performance and an individual's performance as measured against feedback on the following aspects: Results-based goals, Risk goal, and Principles goal. MRTs are subject to an additional layer of performance assessment, referred to as the Risk Culture Summary Scorecard ('RCSS'). The RCSS assessment for each individual is based on separate ratings of three risk factor areas.

## The Bank of New York Mellon (International) Limited

To ensure effective risk adjustment, BNY requires employees who receive variable remuneration awards to agree to delay, forfeiture and clawback of such awards in the event of fraud, misconduct or actions contributing to the detriment of business interests, including competing with the business, soliciting employees or clients, and failing to meet appropriate standards of fitness and propriety. Where required by regulations, awards to MRTs are subject to more stringent risk adjustment, including, but not limited to, forfeiture and clawback in the event of employee misbehaviour, material error, material downturn in business unit performance, material failure of risk management, actions resulting in significant increase to the regulatory capital base or regulatory sanctions.

### 5.5 Ratio between fixed and variable pay

BNY manages an appropriate ratio between fixed and variable components of total remuneration. This ensures that these components are appropriately balanced, and the level of the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

### 5.6 Deferral policy and vesting criteria

Corporate Policy (General): Awards are delivered to employees in cash (payable shortly after the date of award) and equity (deferred over a period of at least three years). The deferred portion is set out in the table below according to level of role and award.

Officer Title	Total incentive award (US \$000)				
	< 50.0	50.0 to 149.9	150.0 to 249.9	250.0 to 499.9	>=500.0
Below Vice President	5.0%	5.0%	5.0%	5.0%	5.0%
Vice President/Senior Vice President	5.0%	10.0%	15.0%	20.0%	25.0%
Director	5.0%	20.0%	25.0%	30.0%	35.0%
Senior Director/Managing Director	5.0%	30.0%	35.0%	40.0%	50.0%

Regulatory Policy: For identified MRTs, in receipt of variable remuneration above £44,000, and/ or variable remuneration greater than one-third of total remuneration, the Corporate Deferral Rules are superseded by the Regulatory Deferral Rules as follows:

- At least 50% of variable remuneration is deferred and delivered in shares or equivalent instruments (exceptional delivery is applied to MRTs subject to a higher deferral requirement);
- Variable remuneration is deferred for 4 years.

	Standard delivery for MRTs		Exceptional Delivery for MRTs subject to Higher Deferral Requirements	
	Cash	Equity	Cash	Equity
Variable Remuneration	50.0%	50.0%	<50.0%	>50.0%

### 5.7 Variable remuneration of control function staff

The variable compensation awarded to control function staff (e.g., audit, compliance, and risk) is dependent on performance that is assessed according to the achievement of objectives specific to their functional role, which is independent of the activities they oversee. Remuneration is benchmarked against the market level and funded independently of individual business line results and adjusted based on BNY's overall annual financial performance.

### 5.8 Quantitative disclosures

The tables on the following pages provide details of the aggregate remuneration of senior management and MRTs for the Company for the year ending 31 December 2025.

The data set includes staff who are contracted to other entities of BNY but have a material impact on the Company.

For completeness, this group of staff is limited to those identified as MRTs. The remuneration amounts are presented on a gross basis, regardless of the time spent by BNY staff in respect of the Company to reflect the full reporting period.

**Table 5:UK REM1 - Remuneration awarded for the financial year**

This table shows the aggregate remuneration expenditure for MRTs in 2025 by business.

At 31 December 2025 (£m)		MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	<b>Number of identified staff</b>	9	13	10	3
2	<b>Total fixed remuneration</b>	3.35	3.68	2.67	0.78
3	Of which: cash-based	3.35	3.68	2.67	0.78
UK-4a	<b>Fixed remuneration</b>	—	—	—	—
	Of which: shares or equivalent ownership interests	—	—	—	—
5	Of which: share-linked instruments or equivalent non-cash instruments	—	—	—	—
UK-5x	Of which: other instruments	—	—	—	—
7	Of which: other forms	—	—	—	—
9	<b>Number of identified staff</b>	4	12	10	3
10	<b>Total variable remuneration</b>	5.68	3.47	3.68	0.29
11	Of which: cash-based	0.92	1.65	1.87	0.11
12	Of which: deferred	—	—	—	—
UK-13a	Of which: shares or equivalent ownership interests	4.76	1.82	1.81	0.18
UK-14a	<b>Variable remuneration</b>	4.76	1.74	1.81	0.11
	Of which: share-linked instruments or equivalent non-cash instruments	—	—	—	—
UK-13b	Of which: deferred	—	—	—	—
UK-14b	Of which: other instruments	—	—	—	—
UK-14x	Of which: deferred	—	—	—	—
UK-14y	Of which: other forms	—	—	—	—
15	Of which: other forms	—	—	—	—
16	Of which: deferred	—	—	—	—
17	<b>Total remuneration</b>	9.03	7.15	6.35	1.07

**Table 6:UK REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)**

This table shows any special payments made to MRTs for 2025.

At 31 December 2025 (£m)		MB Supervisory function	MB Management function	Other senior management	Other identified staff
<b>Guaranteed variable remuneration awards</b>					
1	Guaranteed variable remuneration awards - Number of identified staff	—	—	1	—
2	Guaranteed variable remuneration awards -Total amount	—	—	0.3	—
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	—	—	0.3	—
<b>Severance payments awarded in previous periods, that have been paid out during the financial year</b>					
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	—	—	—	—
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	—	—	—	—
<b>Severance payments awarded during the financial year</b>					
6	Severance payments awarded during the financial year - Number of identified staff	—	—	—	—
7	Severance payments awarded during the financial year - Total amount	—	—	—	—
8	Of which paid during the financial year	—	—	—	—
9	Of which deferred	—	—	—	—
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	—	—	—	—
11	Of which highest payment that has been awarded to a single person	—	—	—	—

**Table 7:UK REM4 - Remuneration of 1 million EUR or more per year**

At 31 December 2025 (€s)	Identified staff that are high earners as set out in Article 450(i) CRR
1 1 000 000 to below 1 500 000	7
2 1 500 000 to below 2 000 000	1
3 2 000 000 to below 2 500 000	—
4 2 500 000 to below 3 000 000	—
5 3 000 000 to below 3 500 000	—
6 3 500 000 to below 4 000 000	—
7 4 000 000 to below 4 500 000	—
8 4 500 000 to below 5 000 000	—
9 5 000 000 to below 6 000 000	—
10 6 000 000 to below 7 000 000	1
11 7 000 000 to below 8 000 000	—

Table 8:UK REM3 - Deferred remuneration

This table shows the total deferred remuneration for MRTs outstanding from previous years.

Deferred and retained remuneration. At 31 December 2025 (£m)	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
<b>1 MB Supervisory function</b>	<b>24.92</b>	<b>3.13</b>	<b>21.79</b>	—	—	—	<b>3.13</b>	<b>2.64</b>
2 Cash-based	0.40	0.24	0.16	—	—	—	0.24	—
3 Shares or equivalent ownership interests	24.52	2.89	21.63	—	—	—	2.89	2.64
4 Share-linked instruments or equivalent non-cash instruments	—	—	—	—	—	—	—	—
5 Other instruments	—	—	—	—	—	—	—	—
6 Other forms	—	—	—	—	—	—	—	—
<b>7 MB Management function</b>	<b>9.43</b>	<b>2.45</b>	<b>6.98</b>	—	—	—	<b>2.45</b>	<b>1.70</b>
8 Cash-based	0.42	0.24	0.18	—	—	—	0.24	—
9 Shares or equivalent ownership interests	9.01	2.21	6.80	—	—	—	2.21	1.70
10 Share-linked instruments or equivalent non-cash instruments	—	—	—	—	—	—	—	—
11 Other instruments	—	—	—	—	—	—	—	—
12 Other forms	—	—	—	—	—	—	—	—
<b>13 Other senior management</b>	<b>4.71</b>	<b>1.07</b>	<b>3.64</b>	—	—	—	<b>1.07</b>	<b>0.71</b>
14 Cash-based	0.01	0.01	0.01	—	—	—	0.01	—
15 Shares or equivalent ownership interests	4.70	1.06	3.63	—	—	—	1.06	0.71
16 Share-linked instruments or equivalent non-cash instruments	—	—	—	—	—	—	—	—
17 Other instruments	—	—	—	—	—	—	—	—
18 Other forms	—	—	—	—	—	—	—	—
<b>19 Other identified staff</b>	<b>0.36</b>	<b>0.12</b>	<b>0.24</b>	—	—	—	<b>0.12</b>	<b>0.11</b>
20 Cash-based	0.01	—	—	—	—	—	—	—
21 Shares or equivalent ownership interests	0.35	0.12	0.24	—	—	—	0.12	0.11
22 Share-linked instruments or equivalent non-cash instruments	—	—	—	—	—	—	—	—
23 Other instruments	—	—	—	—	—	—	—	—
24 Other forms	—	—	—	—	—	—	—	—
<b>25 Total amount</b>	<b>39.42</b>	<b>6.77</b>	<b>32.65</b>	—	—	—	<b>6.77</b>	<b>5.16</b>



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